



PANHANDLE HEALTH DISTRICT

Healthy People in Healthy Communities

8500 N. ATLAS ROAD
HAYDEN, IDAHO 83835
www.phd1.idaho.gov

Special Board of Health Meeting Conference Call Minutes October 4, 2007

Board Members Present: Marlow Thompson, Chairman
Allen Banks, Ph.D. (conf. call)
Walt Kirby (conf. call)
Dale VanStone (conf. call)
Chris Beck, Vice Chairman
Sharon Connors (conf. call)
Dr. McLandress (conf. call)

Staff Present: Jeanne Bock (conf. call)
Mashelle Kenney
Mark Anderson
Dale Peck
Jim Fenton
Lora Whalen

Guests Present: Jerry Mason, Attorney

Chairman Thompson called the Special Board of Health meeting/Conference Call to order at 12:30 p.m.

St. Maries Project Update – Marlow Thompson

Chairman Thompson referred to the September 27, 2007, draft Board of Health meeting minutes, page 4. The purpose of this conference call is to discuss and decide on the funding option for the St. Maries project. Chairman Thompson read the motion made by Mr. VanStone at the September 27, 2007, Board of Health meeting, which reads as follows:

Mr. VanStone moved to accept the low bid of TW Clark contingent upon appropriate funding arrangements to be determined no later than one week from today, or the Board decides to self-fund completely.

Discussion of the motion included three options:

- Option 1: To self-fund the project totally.
- Option 2: PACs suggestion to lease with Benewah County.
- Option 3: Partially fund from cash reserves and borrow the remaining amount from IHFA or another source.

Chairman Thompson stated that if the Board chooses Option 1, it would spend down cash reserves. If the Board chooses Option 2, the issue of building ownership 15-20 years from now is unknown.

Mr. Mason stated that he met with Mike Ormsby yesterday (October 3, 2007) to discuss the options. Mr. Ormsby explained that choosing to enter into a lease with Benewah County would be too uncertain 15 or 20 years from now, therefore, his recommendation was that almost any other option would be better. Also, Mr. Ormsby didn't feel that there would be any problem with arranging taxable financing using the PAC vehicle with a lease through.

Mr. Mason stated the Frazier Supreme Court shouldn't apply to Health Districts, however, when Mr. Fenton spoke with Shelly Shannon, IHFA, she indicated that it applied to any governmental entity within the state, including Health Districts. IHFA is working on legislation to correct this problem because it has affected so many agencies, however, the time it would take is unknown.

Chairman Thompson read the description of Option 3: *Partially fund from cash reserves and borrow the remaining amount from IHFA or another source.*

Mr. Kirby stated that this sounds like an opportunity to work with PAC as a source for a lease and would allow the project to get started in a timely manner.

Mr. Fenton asked Mr. Mason if he would recommend going through PAC for taxable financing. Mr. Mason responded that everything would be the same as with the purchase of the Hayden building, except this funding source would not preserve the tax-exempt status.

Mr. Kirby asked what the difference was with using tax-exempt status vs. and non tax-exempt status. And, when the legislation is passed, could we renegotiate with PAC back to tax-exempt status?

Mr. Fenton explained that with a non-tax exempt status, we would pay an additional 2.5% in interest, about \$20,000 per year. If the term and principal sum were decreased, it would be less. Mr. Fenton presented a resolution he received from IHFA that the Board could pass that states that expenses paid or incurred from existing funds could be reimbursed back to PHD to put back into the reserve account. This proposed resolution will be discussed further at the October Board of Health meeting.

Mr. Beck asked how confident are we that PAC will help provide financing with the lease option? Mr. Mason stated that he has no reason to doubt that they wouldn't do that. Jim Deffenhaugh stated at the September 27, 2007, meeting that PAC itself might have funds to loan.

Dr. Banks asked how urgent is it that we get financing right away? Mr. Anderson replied that within six months, we would need to access about 60% of the bid amount.

Chairman Thompson reviewed the two actions for the Board:

1. If the Board feels comfortable with option 3, as written in the September 27, 2007, minutes, the Board would need to make a motion.
2. If option 3 receives a favorable response, the contract has been reviewed and is ready for signature by the Acting Director, Lora Whalen.

MOTION: Mr. Kirby moved to amend the discussion of September 27, 2007, to read: *Option 3: Partially fund from cash reserves and borrow additional funds as required.* Seconded by Dr. Banks.

Discussion: Mr. Peck added that PHD will receive \$140,000 from Kootenai County for reimbursement of last year's expenses for the Aquifer Protection District.

Chairman Thompson took a Roll Call vote: Dr. Banks, yes; Ms. Connors, yes; Mr. Kirby, yes; Mr. VanStone, yes; Dr. McLandress, yes. Motion carried.

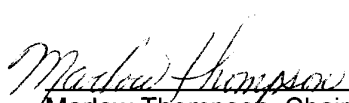
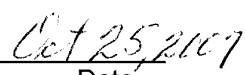
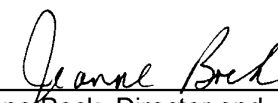
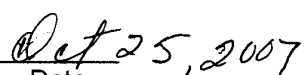
Chairman Thompson asked the Board if they wish to authorize Acting Director Lora Whalen to sign the contract and the letter of Notice to Proceed with a commencement date of October 8, 2007.

MOTION: Mr. Beck moved to authorize Acting Director Lora Whalen to sign the contract and the letter of Notice to Proceed pending review by legal counsel. Seconded by Mr. Kirby.

Chairman Thompson took a roll call vote: Dr. Banks, yes; Ms. Connors, yes; Mr. Beck, yes; Mr. Kirby, yes; Mr. VanStone, yes; Dr. McLandress, yes. Motion carried.

The meeting was adjourned at 1:20 p.m.

Adjourn

 Marlow Thompson, Chairman	 Date	 Jeanne Bock, Director and Secretary to the Board	 Date
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